

must be reformed, and not just the welfare state." Virtually all serious analysts agree: if entitlements are not reformed before the baby-boom generation reaches age 60, the feel-good talk about recent progress on the deficit will be replaced by a sense of crisis.

The sensible course is to avoid a baby-boomer retirement shock by addressing the problem well in advance. But the major candidates either pretend the problem does not exist, propose to hand it to a commission, or wish it away with heroic assumptions about economic growth. Indeed, while sidestepping the problem, the candidates actually act as if government were going to be long, not short, on revenue. Without providing credible proposals for spending reduction, both candidates offer the voters attractive tax cuts—what Ross Perot has termed "free candy just before elections."

The facts are these, however: There are good reasons public policy should seek to increase growth. These range from interests in reducing the deficit and financing Social Security to increasing opportunity for the poor and improving the quality of life for all. But growth is limited by labor-force participation and the rate of increase in productivity. These can and should be improved by cutting marginal tax rates and the tax on capital gains. But significant improvements in productivity also require radical improvements in education and training, and major breakthroughs in research and development. These, in turn, require the expenditure of political and financial capital. Even with these, the likely increase in growth would not suffice to offset too much free candy.

In any case, major improvements in long-term productivity growth take time to achieve. Meanwhile, the deficit cannot be eliminated by focusing on non-entitlements and using the new line-item veto. The "anti-government" public and politicians care too much about expenditures for law enforcement, immigration control, drug abuse prevention, air safety, environmental protection, biomedical research, and so on. So if the baby-boomers are to avoid a shock, if the deficit is to be kept under control, and if a tax increase is to be avoided, entitlement reform will have to be faced promptly.

This issue is at the heart of the budget problem. Yet if it were merely budgetary, it would long since have been solved. The dilemma is that entitlements principally involve the broad American middle that is key to electoral success. That is why entitlements are the "third rail" of American politics and lend themselves to demagoguery. They are treated simplistically though they involve complex questions: Who in the middle class should be protected against exactly what risks? What should be the relative responsibility of government and individuals in assuring risk protection? What are the obligations of working generations to generations too young or too old to work? Leadership is needed to help frame responsible answers to just such difficult questions. Yet no candidate has trusted the people enough to risk a serious discussion.

A second fundamental problem is as obvious as the first and as unattended: America's deposing inner cities. Clearly, talk of hope, history and the American Dream is hollow if it does not address the large population trapped in ghettos. Urban ghettos represent a moral failure and a substantial economic cost. Indeed, if left unattended, the decivilizing effects of urban neglect may pose a more widespread threat to the American Dream. Yet this problem, too, has difficulty attracting a serious word.

Jack Kemp deserves credit for being among the few major politicians to put the urban problem on the national agenda. But, unfortunately, putting this problem on the agenda

and offering viable solutions are not necessarily the same. Jobs must be created near blighted areas, and tax incentives could help, but they cannot possibly suffice. A zero capital gains rate will not counter the fear of random violence or organized mayhem. Low marginal rates alone will not produce healthy role models or families, effective education, a reduction in drug abuse, or the basics of a civilized infrastructure. Given the scale of the urban problem, very large amounts of public and private investment are required. And while the investment may pay for itself over generations, in the near term it means that in addition to tax incentives there must be significant spending. Yet these days, no major politician seems willing to admit publicly that great dreams cannot be achieved on the cheap.

A third fundamental problem is not quite as obvious as the first two. It is the flip side of a good thing: Americans can expect to live longer. The Census Bureau estimates that, in 2010, there will be more than 40 million Americans aged 65 and over. Six million will be 85 and over—and that is before the baby-boomers reach 85. With breakthroughs in biomedical research, these numbers will be even more compelling. There is not only a very large generation headed toward retirement. But in the move from the 20th to the 21st century, something close to an additional generation is being added to expected life.

This will necessitate a minor cultural and economic revolution. It is not merely an issue of entitlement finance. Retirement ages will have to increase. Job and retraining opportunities will have to be developed. New community-living arrangements will have to be expanded. Profound issues of morality will have to be confronted.

Bob Dole has spoken eloquently of the "gracious compensations of age." At 73, he is healthy and active—a symbol of the enormous potential represented by the growing numbers of healthy older Americans. He is perfectly positioned to raise national consciousness about the risks and opportunities presented by the aging of America.

As the campaign moves into its "serious" phase, however, it may be naive to imagine that candidates might actually treat us as if we could face serious problems seriously. Bill Clinton has had four years to address these problems and has not yet done so. And while elections elicit new proposals, they rarely produce serious discussion. The politicians are, naturally enough, trying to get elected. To get them to be serious, we ourselves would have to be serious. And if balloons, simple nostrums and promises of free candy are all we demand, that is probably about all we will get. ●

#### TRIBUTE TO THE TOWN OF HOLLIS, NH, ON THE OCCASION OF THEIR 250TH ANNIVERSARY

● Mr. SMITH. Mr. President, I rise today to pay tribute to the people of Hollis, NH, on their town's 250th anniversary. Since April, the residents of Hollis have been celebrating their town's anniversary with numerous festivities including the strawberry festival, a museum opening, a civic profile, a firemen's muster, an apple festival, a marathon road race and many other enjoyable events. The town's celebration on September 14th will mark their official 250th anniversary and is certain to bring the whole town together for this historic event.

The history of Hollis dates back to the year 1746 when the area of West

Dunstable was divided into four different parts—Dunstable, Monson, Merrimack, and Hollis. Later on April 3, 1746, then-Governor Benning Wentworth signed the town's first charter officially naming the town Hollis. It was on this date that the people from a loose settlement of families gathered under one wing of a church in the Hollis area to join together to unite their town.

Originally, Hollis was granted the name of Hollis after Governor Wentworth's friend, the Duke of Newcastle. Eventually, the town residents changed the spelling of Hollis to Hollis in honor of an English merchant they admired for his high level of intellect and his generosity to Harvard College. Many descendants of the town's first settlers still live in Hollis today. Before the signing of the charter, there were 75 families that resided in the geographical location of Hollis. When the charter was signed, 20 families were forced to reside in the Dunstable area. These 20 families fought for 30 years to be reunited with their fellow neighbors and their home, Hollis. To this day, the residents of Hollis use this example as an illustration of their town's commitment of unity.

The passage of 250 years of history has changed the way of life for the people of Hollis. Some of the minor changes include the tithing men and fence viewers who have disappeared from election ballots and the decay of the whipping post in the town common. Nevertheless, these few minor changes have not changed the bond the families feel for Hollis, nor the civic responsibilities they have held in the town since 1746. Joan Tinklepaugh, who wrote a history for the town, states it best when she says, "we are all joined together by the stitches of the quilt of humanity that makes up the town called Hollis."

I congratulate the many residents of Hollis on this festive occasion, and for their sense of unity and dedication. Enjoy the celebration and may the years to come be as prosperous as your last 250 years. Happy birthday Hollis. ●

#### ORDERS FOR THURSDAY, SEPTEMBER 12, 1996

Mr. SHELBY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Thursday, September 12; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, the Senate immediately resume consideration of the Treasury-postal appropriations bill, and further there be 15 minutes of debate equally divided in the usual form in regard to the pending amendments offered by Senators HATCH and REID. I further ask that prior to the second vote there be 2 minutes of debate equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

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PROGRAM

Mr. SHELBY. Under a previous order, there will be two consecutive rollcall votes beginning at 9:45 tomorrow morning. The first will be on the Hatch amendment regarding the White House Travel Office, to be followed by a vote on or in relation to the Reid amend-

ment. Following those votes, the Senate will remain on the Treasury-postal appropriations bill, and it is hoped we will complete action on that matter as early as possible so that the Senate may begin consideration of the Chemical Weapons Convention Treaty during Thursday's session. The majority leader has announced that rollcall votes will occur throughout the day on Thursday and Senators should plan their schedules accordingly.

ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

Mr. SHELBY. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 10:21 p.m., adjourned until Thursday, September 12, 1996, at 9:30 a.m.